



OFFICE OF THE ATTORNEY GENERAL OF TEXAS  
AUSTIN

GROVER SELLERS  
ATTORNEY GENERAL

Honorable M. M. Wilshire  
County Auditor  
Kaufman County  
Kaufman, Texas

Dear Sir:

Opinion No. O-5924

Re: Is it legal for the  
Commissioners' Court of  
Kaufman County to accept  
less than the 5% interest  
which the bonds in question  
carry?

We are in receipt of your letter of recent date  
reading as follows:

"The Tolosa Common School District of  
Kaufman County has outstanding in bonds \$8,900.00.  
\$3,500 is owned by the Permanent School Fund and  
\$5,400.00 is owned by Road District #7 of Kaufman  
County. The tax collections of the Tolosa District  
have not been sufficient to take care of the interest  
on this issue.

"This question has come up; is it legal for the  
Commissioners' Court of Kaufman County to accept  
less than the 5% interest rate which these bonds  
carry.

"Since the interest payment date on these bonds  
comes early in April will you please give us a  
opinion at once if possible."

You are advised that in our opinion the Commis-  
sioners' Court is without authority to accept less than  
the 5% interest which the bonds bear. Section 55 of Art. 3  
of the Constitution reads as follows:

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"Sec. 55. The Legislature shall have no power to release or extinguish, or to authorize the releasing or extinguishing, in whole or in part, the indebtedness, liability or obligation of any incorporation or individual, to this State, or to any county or other municipal corporation therein."

In the case of Delta County vs Blackburn, 93 S. W. 419, the Supreme Court held that where a county had sold its school lands for a certain sum payable at a certain time, represented by a note bearing 7% interest, it had no power before the note came due to enter into a contract with the vendee, after he has paid the agreed interest for a time, reducing the rate of interest to 3% for the balance of the time which the note had to run. This would be a release to him of an obligation to the county which is forbidden by the Constitution.

Yours very truly

ATTORNEY GENERAL OF TEXAS

*[Signature of C. F. Blackburn]*  
C. F. Blackburn  
ATTORNEY GENERAL OF TEXAS

By

*[Signature of C. F. Gibson]*

C. F. Gibson  
Assistant

CFC:ncd

